

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7149

BILL NUMBER: SB 475

DATE PREPARED: Jan 26, 2001

BILL AMENDED:

SUBJECT: Unclaimed Property.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the unclaimed property law does not apply to credit memos and resulting credit balances of less than \$500.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The bill will decrease state revenue in so far as it excludes credit memos and credit balances under \$500 from the unclaimed property law. According to the Unclaimed Property Division of the Attorney General's Office, the *total* value of currently unclaimed credit balances and memos under \$500 is \$184,446.

Intangible property held by businesses or financial institutions is presumed abandoned seven years after the last owner contact and is subsequently remitted to the Office of the Attorney General. All funds received are placed in the *Abandoned Property Fund*. A claimant can recover the value of the property for up to 25 years. Whenever the balance of the principal of the Fund exceeds \$500,000, the excess is transferred to the *Common School Fund*. Each year, the interest balance in the *Abandoned Property Fund* is transferred to the *State General Fund*. At the end of FY 2000, the balance of the *Abandoned Property Fund* was \$28.1 M. Any interest *earned* on unclaimed property is deposited into the *General Fund*. In FY 2000, approximately \$18.0 M in unclaimed property was collected and \$2.6 M was paid out.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office.

Local Agencies Affected:

Information Sources: Veronica Hibbler, Attorney General's Office, 232-6348.